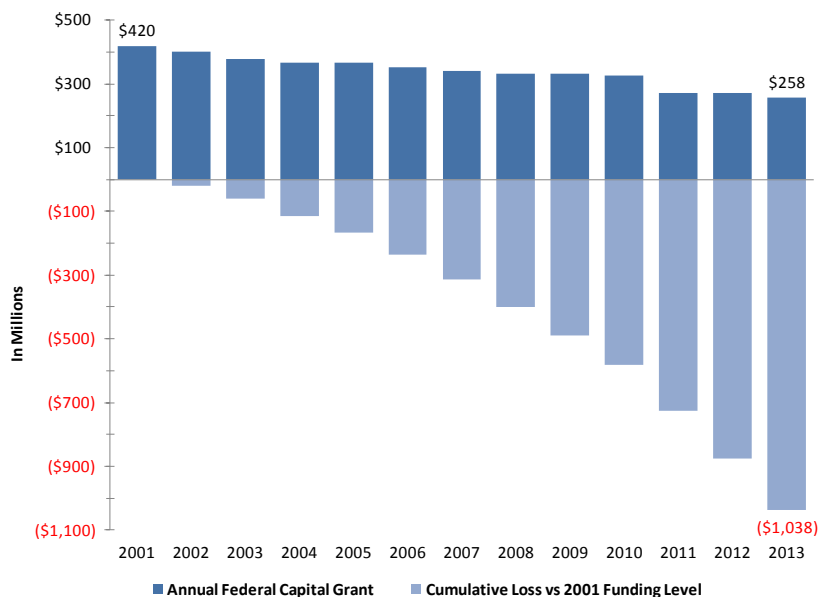

City Council 2014-2018 Adopted Operating and Capital Budget Briefing



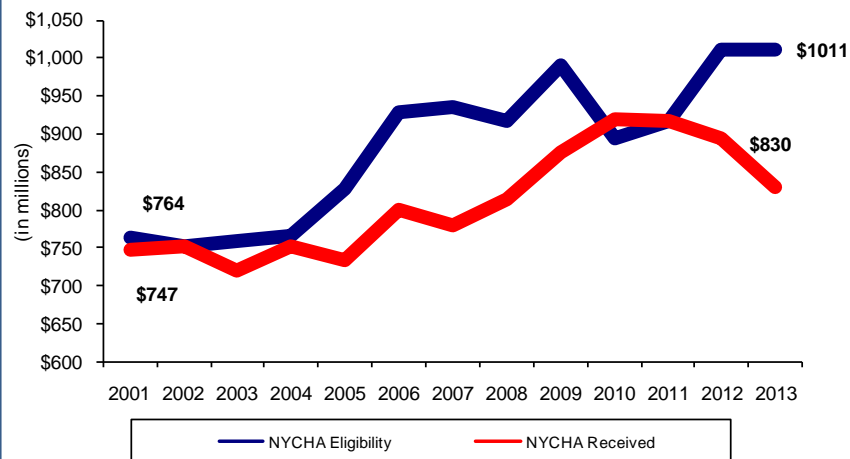
March 21, 2014

Historic Federal Funding

Capital Funding Decline Since 2001



Operating Subsidy - Shortfall Since 2001



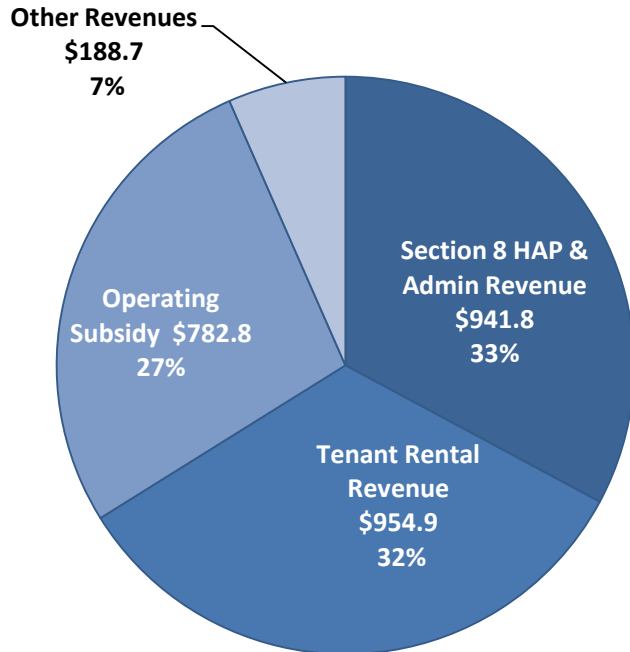
NYCHA faces a \$280.8 million deficit for the Adopted 2014 budget, primarily due to a loss in operating subsidy



2014 Adopted Operating Plan Revenue & Expenses

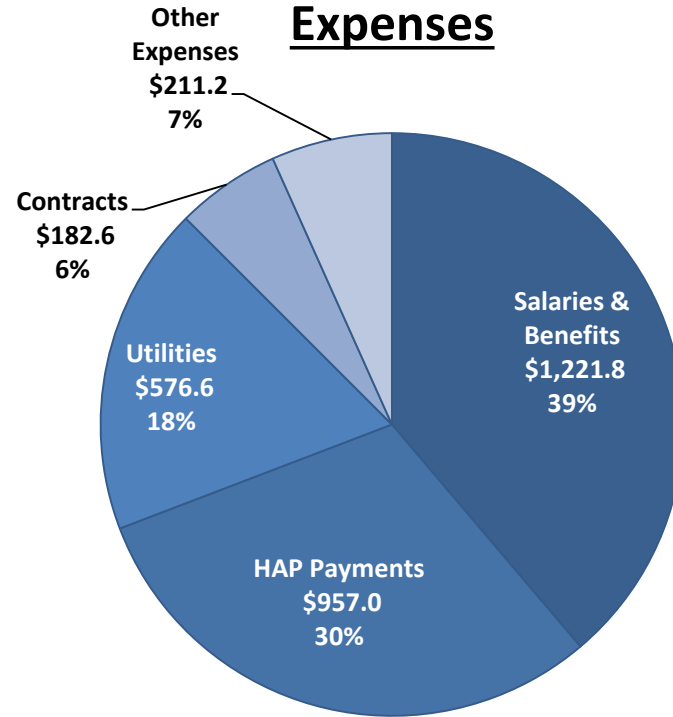
(\$ Millions)

Revenue



TOTAL= \$2.868 Billion

Expenses

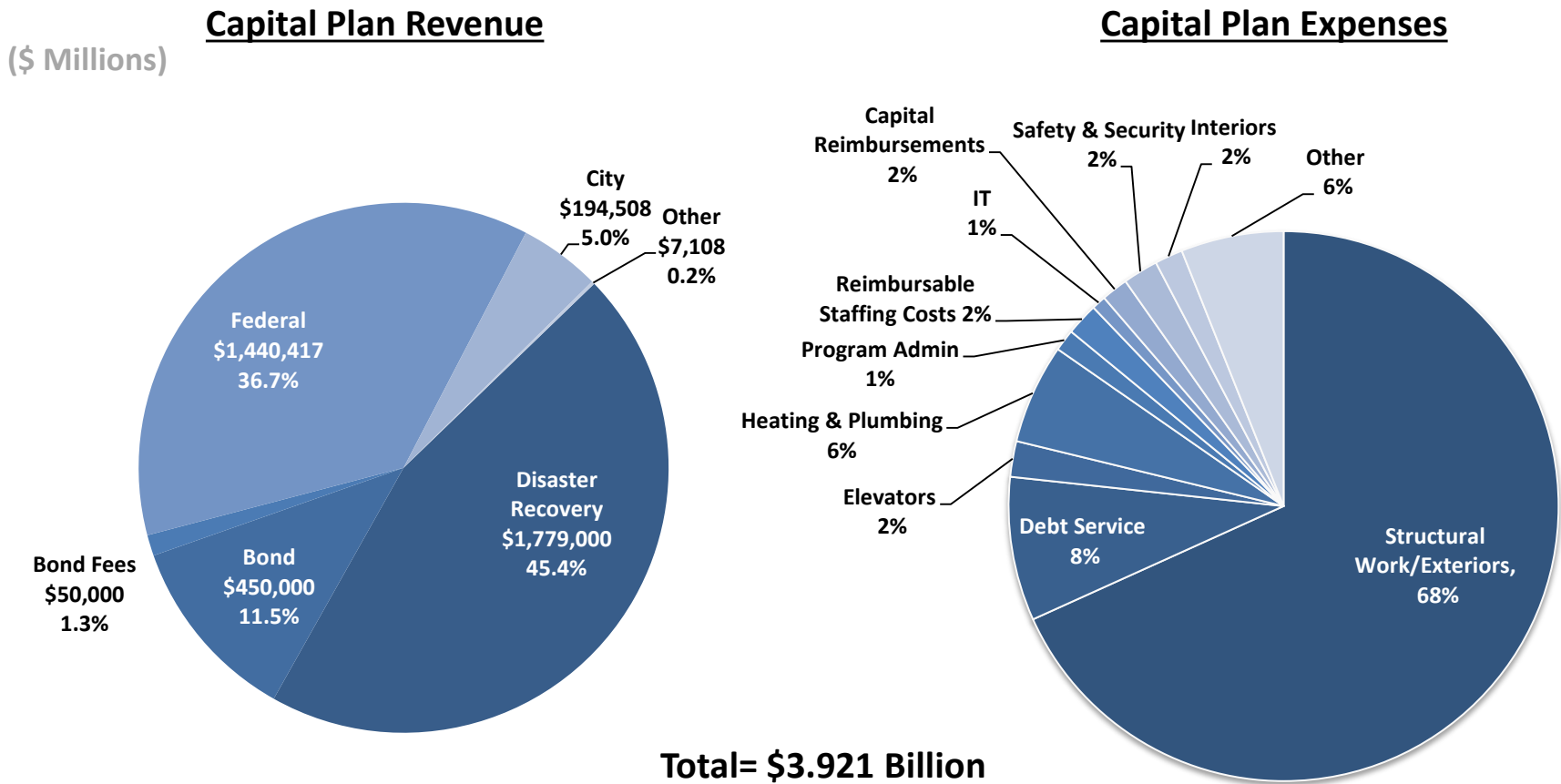


TOTAL= \$3.149 Billion

2014 Deficit= (\$280.8 Million)



FY 2014 – 2018 Adopted Capital Plan – Revenue & Expenses



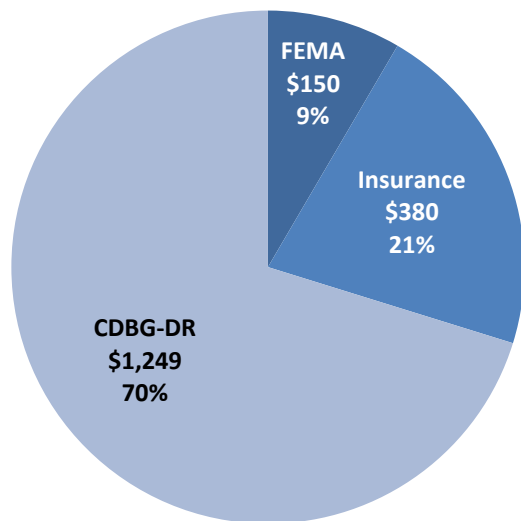
Highlights

- Revenue includes 1.8 Billion requested for disaster recovery (45% of Capital Budget)
- \$40 Million was for Randolph Mixed finance renovation with HPD for 36 5-story tenement buildings in Harlem. (316 units)
- \$178 Million is allocated for Critical repairs: \$18M for gas riser replacements, \$6M for steam mains, \$120M for boiler replacements

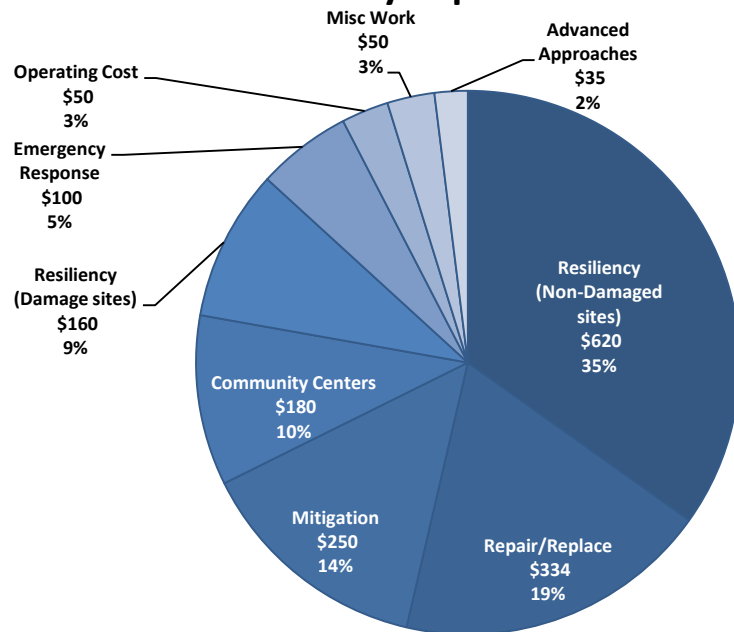
5-year Superstorm Sandy Funding & Expenses

(\$ Millions)

Sandy Funding Sources



Sandy Expenses



Total= \$1,779 Billion

Comments

- Superstorm Sandy funds are a one time additional revenue source that will add 68% more capital dollars to our 5 year plan. 2014 Budget based on Current NYC Action Plan. Assumes 100% Insurance payout and FEMA Reimbursement level at 90%
- NYCHA will use these funds to repair the damage caused by Super storm Sandy to infrastructure and critical systems at 32 developments and fortify 26 additional developments in the expanded Flood Zone A.



Notable Achievements

Notable Achievements

	Impact
<ul style="list-style-type: none"> Maintenance & Repair Initiative 	<ul style="list-style-type: none"> NYCHA reduced outstanding work orders by 95%, from 423,000 to 90,000 by December 2013 Work Order response and closure times have also been reduced from 147 to 9 days for maintenance orders and 288 to 155 days for skilled trade work
<ul style="list-style-type: none"> Completed Capital Projects 	<ul style="list-style-type: none"> NYCHA capital projects improved the housing of 59,000 tenants NYCHA completed \$31.6 Million in structural repairs and \$17.8 million in heating & plumbing improvements
<ul style="list-style-type: none"> Bond B 	<ul style="list-style-type: none"> NYCHA has begun work at four developments with the \$450 million bond funding
<ul style="list-style-type: none"> Security Enhancements 	<ul style="list-style-type: none"> Completed the installation of 3,879 new security systems at 84 developments
<ul style="list-style-type: none"> Section 8 Program Changes 	<ul style="list-style-type: none"> NYCHA received 250 more Veteran Housing Vouchers and achieved 96% completion rate for annual re-certifications and inspections Implementation of Tenant Self-Service Portal and Owner Portal, allowing residents and applicants more services online
<ul style="list-style-type: none"> Jobs 	<ul style="list-style-type: none"> For the HUD Section 3 reporting period, REES facilitated over 1,000 direct job placements



Partnership With the City

Accomplishments

- Community Centers
- Painters Apprentice Program (PAP)
- NYCHA security improvements

Impact

- The City Council allocated \$58 million to keep open NYCHA Community & Senior Centers set to close by yearend 2013, maintaining jobs and services for NYCHA residents.
- City Council Provided \$10 Million for NYCHA’s Painter Apprentice Program. Providing skills training and temporary jobs for 175 individuals.
- NYCHA completed the installation of 3,879 security cameras in 87 developments with \$30 Million in City council funds. Providing a safer environment for NYCHA residents.

Asks

- 57 Community/ Senior Centers set to close in 2014
- Painter Apprentice Program
- Sandy Aid

Impact

- 57 of NYCHA’s community and senior centers remain unsponsored. With additional Council funds NYCHA can continue providing community space and programs to NYC residents until full sponsorship is attained. NYCHA has budgeted for these centers through June 31, 2014. These centers provide ~164 jobs and programs, such as the Summer Day Camp, which serves ~2,000 children annually.
- Although PAP funds will expire yearend 2014, NYCHA’s budget assumes City council will continue to fund the Painters Apprentice Program throughout the next 5 years.
- NYCHA is still recovering from Sandy related damages. No permanent repair and resiliency work has begun due to uncertain funding. We hope to work with the City Council to advocate on behalf of NYC’s most vulnerable for additional funding.



Appendix



Changes in 2014 Budget Assumptions

(\$ in Millions)

	Public Housing	Section 8	Authority Total
Adopted Plan	(\$191)	(\$90)	(\$281)
Congress Op. Subsidy Proration Increase, 12%	122		122
Congress HAP Subsidy, 5%		61	61
Congress Admin, 6%		7	7
NYPD Forgiveness	52		52
New Initiatives (Repair & Inspection Unit)	(52)		(52)
Reduction of Section 8 Admin Fee		6	6
Other Section 8 Expense Realignment		3	3
Shortfall Funding		13	13
2014 Reforecasted (Surplus/Deficit)	(\$69)	\$0	(\$69)

Comments

- 2014 Congressional Appropriations were announced, that were much higher than previously expected. Based on the larger HUD allocations, NYCHA's federal funding will be \$190 Million.
- NYCHA was also granted reprieve from paying \$52.5 Million of the annual NYPD Subsidy, all of which will be used to lower our HQS inspection backlogs, along with the creation of a new monitoring unit for the program.
- **With these new Funding assurances, NYCHA's deficit has been reduced from approximately \$280 Million to \$70 Million.**